

THE WHITE HOUSE  
WASHINGTON

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ATTACHMENT

NSC review completed.

# **CABINET ADMINISTRATION STAFFING MEMORANDUM**

81-2202/7

DATE: October 16, 1981 NUMBER: 018887CA DUE BY: NOON, Sat. October 17, 1981  
SUBJECT: President's Opening Remarks at Cancun Summit

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Allen	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Garrick	<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
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## Remarks:

Attached are State's recommended Cancun opening remarks for the President. Would you please review and give any comments you may have by NOON Saturday, October 17, 1981.

TO: DIRECTOR CKEY



## RETURN TO:

Craig L. Fuller  
Deputy Assistant to the President  
Director,  
Office of Cabinet Administration  
456-2823

Phoned "no CIA  
Comments" to Adele,  
Cabinet Office, 10/16/81  
JBC

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**SECRET**10/16/81  
200 P.**OPENING REMARKS FOR PRESIDENT AT CANCUN**

THIS MEETING IS AN IMPORTANT OCCASION FOR ME. IT IS AN OPPORTUNITY TO EXCHANGE PERSONAL VIEWS WITH MANY OF YOU WHOM I HAVE NOT HAD THE PLEASURE OF MEETING BEFORE. IT IS ALSO AN OPPORTUNITY TO RENEW ACQUAINTANCES WITH OLD FRIENDS. BUT MORE SO IT IS AN OPPORTUNITY TO IDENTIFY OUR COMMON GOALS AND FORGE THE POLITICAL WILL TO COOPERATE TOGETHER FOR OUR COMMON GOOD AND MUTUAL BENEFIT. THE HUMAN POTENTIAL AND THE RESOURCES REPRESENTED AROUND THIS TABLE ARE ENORMOUS. WORKING TOGETHER WE CAN ACHIEVE GREAT THINGS FOR OUR OWN SOCIETIES AND FOR THE WORLD.

WHEN I FIRST CAME INTO OFFICE, MUCH OF MY TIME WAS SPENT ON DEVELOPING A PLAN OF ACTION TO STRENGTHEN THE AMERICAN ECONOMY. THIS WAS REQUIRED BECAUSE WE HAVE SUFFERED SEVERAL YEARS OF SERIOUS ECONOMIC GROWTH PROBLEMS OURSELVES. FUNDAMENTAL IMPROVEMENTS WERE NEEDED. WE HAVE TAKEN BOLD MEASURES WHICH I AM CONFIDENT WILL SUCCEED, NOT TOMORROW OR THE NEXT DAY, BUT OVER THE MONTHS AND YEARS AHEAD. THESE ACTIONS WILL SIGNIFICANTLY BENEFIT OTHER NATIONS BY STRENGTHENING OUR DEMAND FOR IMPORTS, BY HOLDING DOWN THE PRICES OF OUR EXPORTS, AND BY INCREASING RESOURCES AVAILABLE FOR FOREIGN INVESTMENT AND FOREIGN ASSISTANCE. BUT SIMPLY IMPROVING OUR OWN ECONOMY IS CLEARLY NOT ENOUGH. WE ARE STRONGLY COMMITTED TO WORKING WITH OTHER

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NATIONS TO STRENGTHEN THE INTERNATIONAL ECONOMY AND ITS INSTITUTIONAL STRUCTURE. BECAUSE OF OUR INTERDEPENDENCE WE MUST DEPEND MORE HEAVILY ON THE INSTITUTIONS WHICH GOVERN OUR INTERRELATIONSHIP. BECAUSE OF OUR INTERDEPENDENCE, THE PROSPERITY OF EACH OF US DEPENDS INCREASINGLY ON THE PROSPERITY OF ALL OF US.

SINCE I BECAME PRESIDENT I HAVE HAD THE OPPORTUNITY TO DISCUSS THE PROBLEMS FACING DEVELOPING COUNTRIES WITH MANY LEADERS. I SPENT A GREAT DEAL OF TIME STUDYING THE ENORMOUS INTERNAL DIFFICULTIES YOU FACE AND THE IMPACT OF INTEREST RATES, ENERGY COSTS, AND VOLATILITY OF COMMODITY PRICES ON YOUR ECONOMIES. I HAVE REAFFIRMED MY VIEW THAT A NATION'S PARTICULAR APPROACH TO DEVELOPMENT MUST REFLECT ITS HISTORY, CULTURE AND VALUES. THE ONLY CRITERIA FOR JUDGEMENT IS SUCCESS. I AM, THEREFORE, NOT HERE TO PREACH ANY PARTICULAR ECONOMIC MORALITY. PLURALISM IS THE CORE OF CREATIVITY.

WHILE WE RECOGNIZE OUR DIVERSITY, I KNOW EACH OF US BELIEVES THAT OUR INDIVIDUAL AND COLLECTIVE EFFORTS CAN CONTRIBUTE TO A NEW ERA OF GROWTH FROM WHICH WE CAN ALL BENEFIT. THIS IS WHY WE ARE HERE.

HOWEVER, WE MUST BE CAUTIOUS IN DISCUSSING GRAND IDEAS. WE MUST REMEMBER THAT IT IS THE INDIVIDUAL FARMER, LABORER AND BUSINESSMAN OR WOMAN WHO REALLY IS THE STRENGTH OF THE DEVELOPMENT PROCESS. THE MORE INCENTIVES AND OPPORTUNITIES WE GIVE THEM, THE GREATER THEIR CONTRIBUTION TO THE DEVELOPMENT PROCESS IS LIKELY TO BE.

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WE ALSO MUST KEEP IN MIND THE CRUCIAL ROLE INTERNATIONAL ECONOMIC INSTITUTIONS HAVE PLAYED IN IMPROVING THE WORLD ECONOMY TO OUR COMMON BENEFIT. DURING THE VERY DEPTHS OF THE MID 70'S RECESSION, WE WERE ABLE TO LIBERALIZE THE INTERNATIONAL TRADING SYSTEM UNDER THE AUSPICES OF THE GATT. THIS CREATED NEW TRADING OPPORTUNITIES WHICH A NUMBER OF DEVELOPED AND DEVELOPING COUNTRIES HAVE USED TO THEIR ADVANTAGE.

THE IMF HAS BEEN THE CENTERPIECE OF THE INTERNATIONAL FINANCIAL SYSTEM. IT HAS ADJUSTED ITS PROGRAMS AND INCREASED ITS RESOURCES TO DEAL WITH THE MAJOR PRESSURES AND PROBLEMS COUNTRIES FACE DURING THE CURRENT PERIOD. THE WORLD BANK AND OTHER MULTILATERAL DEVELOPMENT BANKS HAVE DRAMATICALLY INCREASED THEIR RESOURCES AND THEIR OVERALL SUPPORT FOR THE DEVELOPMENT PROCESS. OTHER INSTITUTIONS SUCH AS THE UNDP, THE FAO AND THE UNCTAD HAVE PLAYED COMMENDABLE ROLES.

I AM ALSO PROUD OF THE CONTRIBUTION THE UNITED STATES HAS MADE. WE HAVE PROVIDED 57 BILLION DOLLARS TO THE DEVELOPING COUNTRIES IN THE LAST DECADE. OUR DEVELOPMENT ASSISTANCE HAS AMOUNTED TO 43 BILLION DOLLARS AND OUR CONTRIBUTIONS TO THE MULTILATERAL DEVELOPMENT BANKS HAVE BEEN 14 BILLION DOLLARS. PERHAPS EVEN MORE IMPORTANTLY, WE HAVE IMPORTED OVER 60 BILLION DOLLARS WORTH OF GOODS FROM NON-OPEC DEVELOPING COUNTRIES IN THE LAST YEAR ALONE, MORE THAN TWICE THE OFFICIAL DEVELOPMENT ASSISTANCE FROM

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ALL OECD COUNTRIES. THE STOCK OF AMERICAN INVESTMENT IN THE DEVELOPING COUNTRIES LAST YEAR WAS 53 BILLION DOLLARS. OUR PRIVATE FINANCIAL SYSTEM PROVIDES MULTIPLE BILLIONS OF DOLLARS OF US CAPITAL TO BE USED IN DEVELOPING COUNTRIES.

I CITE THESE FIGURES TO DEMONSTRATE AMERICA'S COMMITMENT TO THE DEVELOPMENT EFFORT AND HIGHLIGHT THE FACETS OF THAT CONTRIBUTION WHICH GO BEYOND CONCESSIONAL ASSISTANCE. THE UNITED STATES SHALL CONTINUE TO CONTRIBUTE SIGNIFICANTLY TO GLOBAL DEVELOPMENT.

I WISH TO STRESS THE NECESSITY TO CONTINUE CONCESSIONAL ASSISTANCE TO THE WORLD'S POORER NATIONS. I AM COMMITTED TO PROVIDE SUCH ASSISTANCE BECAUSE I KNOW THE NEED IS GREAT, AND I KNOW THAT THERE ARE CERTAIN TYPES OF PROJECTS WHICH THE PRIVATE SECTOR CANNOT FINANCE. I ALSO RECOGNIZE THAT IN A PERIOD OF TIGHT BUDGETS IT IS UNLIKELY THAT CONCESSIONAL ASSISTANCE WILL INCREASE SUBSTANTIALLY. IT IS IMPORTANT, THEREFORE, THAT IT BE USED AS EFFECTIVELY AS POSSIBLE -- THAT IT BE FOCUSED ON THOSE WHO NEED IT MOST AND CAN USE IT BEST -- AND THAT IT BE AN EFFECTIVE CATALYST FOR STIMULATING OTHER FINANCIAL FLOWS AND PRIVATE INVESTMENT TO, WITHIN AND AMONG DEVELOPING COUNTRIES.

MANY DEVELOPING COUNTRIES DO NOT ATTRACT ADEQUATE FOREIGN INVESTMENT IN THEIR ECONOMIES. THE INTERNATIONAL COMMUNITY SHOULD EXAMINE WAYS TO REDUCE INDIVIDUAL RISK -- SUCH AS THE IDEA OF THE MULTILATERAL INVESTMENT INSURANCE AGENCY RAISED BY WORLD BANK PRESIDENT CLAUSEN -- SO AS TO

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FACILITATE INVESTMENT FLOWS. EACH OF US NEEDS TO EXAMINE OUR DOMESTIC POLICIES TO REMOVE THE DISINCENTIVES TO INVESTMENT FLOWS. TAKEN TOGETHER, THESE EFFORTS SHOULD SIGNIFICANTLY EXPAND RESOURCES AVAILABLE FOR DEVELOPMENT.

AN OPEN TRADING SYSTEM WILL BE PARTICULARLY IMPORTANT TO GROWTH IN THE DECADE AHEAD. THE US STANDS READY TO WORK CLOSELY WITH THE DEVELOPING COUNTRIES TO HELP THEM INCREASE THEIR PARTICIPATION IN THAT SYSTEM, AND TO USE THE COMING GATT MINISTERIAL TO OUR COMMON BENEFIT. ON THE EXTREMELY IMPORTANT ISSUE OF SAFEGUARDS WE WANT TO WORK PARTICULARLY CLOSELY WITH THE DEVELOPING NATIONS TO INSURE THAT THESE STRENGTHEN AN OPEN TRADING SYSTEM RATHER THAN WEAKEN IT. REGARDING THE RENEGOTIATION OF THE MULTIFIBER ARRANGEMENT, WE WILL RESIST PRESSURES FOR A ROLL-BACK IN IMPORTS AND REMAIN PARTICULARLY SENSITIVE TO THE PROBLEMS OF THE NEW AND SMALLER SUPPLIERS. THE ARRANGEMENT IS THE MOST IMPORTANT TRADE ISSUE, AND POSSIBLY THE MOST IMPORTANT DEVELOPMENT ISSUE, FACING US THIS YEAR. I AM ALSO COMMITTING MY ADMINISTRATION TO CONTINUE TO SUPPORT THE GENERALIZED SYSTEM OF PREFERENCES, AND TO TAKE THE LEAD IN URGING OTHER INDUSTRIALIZED COUNTRIES TO MATCH US IN EXPANDING DEVELOPING NATIONS' ACCESS TO MARKETS.

FOOD PRODUCTION IS PARTICULARLY IMPORTANT TO GROWTH IN THE DEVELOPING COUNTRIES. THE KEY TO INCREASED OUTPUT IS EACH NATION'S EFFORTS TO PROVIDE ITS FARMERS NECESSARY INCENTIVES TO PRODUCE. FOREIGN ASSISTANCE, TO INCLUDE

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TECHNICAL SUPPORT AND INNOVATIVE RESEARCH, IS ESSENTIAL TO SUPPORT THESE EFFORTS.

THE US IS NOW THE LARGEST DONOR OF FOOD AID AND THE LARGEST BILATERAL DONOR OF OFFICIAL DEVELOPMENT ASSISTANCE FOR AGRICULTURE. WE WILL COMMIT ONE-HALF OF OUR BILATERAL DEVELOPMENT ASSISTANCE TO AGRICULTURE; WE WILL STRONGLY SUPPORT THE WORLD BANK; AND WE WILL CONTINUE TO CONTRIBUTE TO FAO AND UNDP PROGRAMS TOWARD THESE ENDS. WE WILL TAKE NEW INITIATIVES IN COLLABORATION WITH DEVELOPING COUNTRIES TO DEVELOP AND SPREAD NEW TECHNOLOGY AIMED AT INCREASING FARM PRODUCTIVITY.

HELPING TO RESOLVE THE ENERGY PROBLEMS OF DEVELOPING COUNTRIES IS ALSO CRITICAL TO FUTURE GROWTH AND DEVELOPMENT. WE HAVE EXAMINED THE RESULTS OF THE RECENT UN CONFERENCE ON NEW AND RENEWABLE SOURCES OF ENERGY. WE BELIEVE MUCH CAN BE DONE BY WAY OF FOLLOW-UP. WE PLAN TO DEVOTE A CONSIDERABLE AMOUNT OF RESOURCES TO THE TYPES OF PROGRAMS SUGGESTED BY THE CONFERENCE IN SUCH AREAS AS TRAINING, HELPING COUNTRIES ASSESS THEIR ENERGY RESOURCES AND POLICY OPTIONS, AND DEMONSTRATING NEW TECHNOLOGIES. THE WORLD BANK CAN PLAY AN ENHANCED ROLE IN PROMOTING ENERGY DEVELOPMENT BY INCREASING PRIVATE PARTICIPATION THROUGH CO-FINANCING. CO-FINANCING HAS THE EFFECT OF INCREASING FUNDS AVAILABLE. WE NEED NOT CREATE A NEW INSTITUTION TO ACHIEVE OUR COMMON GOAL.

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I CAME HERE TO LISTEN AND LEARN. THE PROCESS OF CONSULTATION IS EXTREMELY IMPORTANT TO FUTURE PROGRESS. DEVELOPMENT IS A LONG-TERM ENDEAVOR. THE DIALOGUE WE HAVE OVER THE NEXT TWO DAYS MUST BE CONTINUED. THE BONDS OF OUR COMMON RESOLVE SHOULD NOT DISAPPEAR WITH OUR JET TRAILS. I, THEREFORE, RESPECTFULLY SUGGEST THAT SOME INFORMAL SUB-MINISTERIAL CONTACTS BE MAINTAINED AMONG PERSONAL REPRESENTATIVES OF THE HEADS OF STATE OR GOVERNMENT TO INSURE THAT THE POLITICAL MOMENTUM OF THIS MEETING DOES NOT FADE AWAY.

SECONDLY, THE US IS WILLING TO CARRY ON A MORE FORMAL AND STRUCTURED DIALOGUE BILATERALLY, WITH REGIONAL GROUPS AND IN THE UN SPECIALIZED AGENCIES, AS WELL AS IN THE UN GENERAL ASSEMBLY. WE TAKE SERIOUSLY OUR COMMITMENT IN THE OTTAWA SUMMIT DECLARATION "TO PARTICIPATE IN PREPARATIONS FOR A MUTUALLY ACCEPTABLE PROCESS OF GLOBAL NEGOTIATIONS IN CIRCUMSTANCES OFFERING THE PROSPECT OF MEANINGFUL PROGRESS." WE ARE PREPARED TO RESUME A NEW PREPARATORY PROCESS IN THE UN ON THE BASIS OF FOUR CONSIDERATIONS:

A) THE TALKS MUST HAVE A PRACTICAL ORIENTATION TOWARD IDENTIFYING, ON A CASE BY CASE BASIS, SPECIFIC POTENTIAL FOR OR OBSTACLES TO DEVELOPMENT WHICH COOPERATIVE EFFORTS MAY ENHANCE OR REMOVE;

B) THE TALKS MUST RESPECT THE COMPETENCE, FUNCTIONS AND POWERS OF THE UN SPECIALIZED AGENCIES UPON WHICH WE ALL DEPEND;

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C) THE GENERAL ORIENTATION OF THE TALKS MUST BE TOWARD SUSTAINING OR ACHIEVING GREATER LEVELS OF MUTUALLY BENEFICIAL INTERNATIONAL GROWTH AND DEVELOPMENT, TAKING INTO ACCOUNT DOMESTIC ECONOMIC POLICIES; AND

D) THE TALKS SHOULD TAKE PLACE IN AN ATMOSPHERE OF COOPERATIVE SPIRIT SIMILAR TO THAT WHICH HAS BROUGHT US TOGETHER IN CANCUN.

IF THESE CONSIDERATIONS ARE ACCEPTED AS REASONABLE BY THE LEADERSHIP IN THIS ROOM, THEN THE US IS WILLING TO RETURN TO A NEW PREPARATORY PROCESS IN NEW YORK TO SEE WHAT MAY BE ACHIEVED.

I CAME TO CANCUN TO DISCUSS COMMON CONCERNS SO THAT WE MAY ALL LEAVE HERE WITH AN APPRECIATION OF THE SUBSTANTIVE PROBLEMS WE FACE INDIVIDUALLY AND IN COMMON. SUCH UNDERSTANDINGS CAN PERMIT US TO IMPROVE COOPERATION BILATERALLY AND REGIONALLY AND TO UTILIZE MORE EFFECTIVELY THE INSTITUTIONS AT OUR DISPOSAL TO ACHIEVE PRACTICAL RESULTS FOR OUR COMMON BENEFIT. WHILE WE SHOULD NOT SEEK AGREEMENTS HERE, WE CAN GIVE NEW POLITICAL IMPETUS TO PROGRESS IN SUCH AREAS AS TRADE, INVESTMENT, ENERGY AND FOOD PRODUCTION.

I THANK OUR HOSTS FOR ARRANGING THIS HISTORIC OPPORTUNITY. IT BEHOOVES ALL OF US TO JOIN HANDS AND PROCEED TOGETHER. ECONOMIC DEVELOPMENT IS AN EXERCISE IN MUTUAL COOPERATION FOR THE COMMON GOOD. WE MUST GRASP THIS OPPORTUNITY FOR OUR PEOPLES. WE MUST TAKE A STEP TOGETHER FOR MANKIND.